

Fact-checking the 2018 State of the Union address

By [Glenn Kessler](#), [Salvador Rizzo](#) and [Meg Kelly](#) January 30 [Email the author](#)

President Trump’s State of the Union speech had soaring rhetoric — and many dubious facts and figures. Many of these claims have been fact-checked repeatedly, yet the president persists in using them.

Here is a guide to 18 claims, in the order in which Trump made them. As is our practice with live events, we do not award Pinocchio rankings, which are reserved for complete columns.

“Since the election, we have created 2.4 million new jobs, including 200,000 new jobs in manufacturing alone.”

Trump often inflates the number of jobs created under his presidency by counting Election Day, rather than when he took the oath of office. There have been about 1.8 million jobs created since January 2017, [according to the Bureau of Labor Statistics](#). That’s the slowest gain in jobs since 2010, which indicates how well job growth was going before Trump took office.

There were 184,000 manufacturing jobs created in the 11 months since Trump took the oath of office, compared with a loss of 16,000 in 2016, [according to the BLS](#). This is a substantial one-year gain, but it’s still more than 1 million manufacturing jobs below the level at the start

of the Great Recession.

“After years of wage stagnation, we are finally seeing rising wages.”

Trump once again takes credit for something that began to happen before his presidency. Wages have been on an upward trend since 2014, according to the Bureau of Labor Statistics, and in fact their growth slowed during the first year of Trump’s presidency.

[Looking closely at the data](#), it’s possible to argue wages were stagnant from 2000 to 2014, but the median salary has been increasing steadily since then and actually declined in the fourth quarter of 2017, from \$353 a week to \$345 in inflation-adjusted dollars.

“African American unemployment stands at the lowest rate ever recorded, and Hispanic American unemployment has also reached the lowest levels in history.”

This is a flip-flop by Trump. During the 2016 campaign, Trump used to claim [a Four-Pinocchio statistic](#) that 58 percent of African American youths were unemployed. The official Bureau of Labor Statistics unemployment rate for black youth at the time was 19.2 percent — about one-third of the rate used by Trump. Now that he’s president, Trump appears all too happy to cite the unemployment rate for African Americans, bragging that it’s the best since the turn of the century.

The African American unemployment rate has been on a relatively steady decline since it hit a peak of 16.8 percent in March 2010, during

the Great Recession. The rate had already fallen to 7.7 percent when Trump took the oath of office — it is now 6.8 percent — so Trump taking credit for this is like a rooster thinking the sun came up because he crowed.

Similarly, Hispanic American unemployment had also been trending lower before Trump's presidency. It hit a low of 4.8 percent in several months in 2017, as well as in one month in 2006.

“Unemployment claims have hit a 45-year low.”

If Trump had given this speech last week, his claim might have been accurate. The number of people who filed unemployment claims hit 216,000 for the week that ended Jan. 13, the lowest level since January 1973. But there [are more recent data](#) now for the week that ended Jan. 20. New jobless claims rose to 233,000, the lowest since December. So it's a six-week low, not a 45-year low.

“The stock market has smashed one record after another, gaining \$8 trillion in value. That is great news for Americans' 401(k), retirement, pension and college savings accounts.”

Trump frequently brags about the rising stock market — he's done it about once every three days as president — even though during the 2016 campaign [he had said it was “a big fat bubble” that was about to pop](#).

Trump is correct that \$8 trillion in wealth has been created since the election — or \$6.9 trillion since he took the oath of office, [according to the Wilshire 5000 Index of stocks](#). But much of that gain in wealth did

not trickle down to most Americans. Only about 50 percent of Americans own stocks directly or through retirement funds, [according to a Gallup survey](#). And most of the value in stocks is held by the top 10 percent.

Moreover, the U.S. rise in 2017 was not unique. When looking at the Standard & Poor's 500-stock index, it's clear U.S. stocks haven't rallied quite as robustly as their foreign equivalents. So it's hard for Trump to make the case that his stewardship is making that much of a difference if stocks are doing better in other developed countries.

In fact, Trump even falls short in comparison to Barack Obama's first year. The S&P 500 gained about 33.3 percent from inauguration through Jan. 29 under Obama, compared with 25.5 percent under Trump.

Data from Yahoo Finance

Bragging about the rise of the stock market could backfire on the president if there is a sudden downturn. Stocks fell more than 1 percent Tuesday, as rising bond yields are becoming competitive with stocks that pay big dividends and traders are looking for less risky places to put their money. [According to Trump's metric](#), almost \$360 billion worth of wealth in the stock market disappeared Tuesday.

“Just as I promised the American people from this podium 11 months ago, we enacted the biggest tax cuts and reform in American history.”

Trump repeatedly claims he passed the biggest tax cut in U.S. history, but it's just not true. He's earned [Four Pinocchios for this claim](#) before — but repeated it 57 times in his first year as president.

The best way to compare tax cuts (or spending plans) over time is to measure them as a percentage of the national economy. Inflation-adjusted dollars are another option, but a percentage of gross domestic product helps put the impact of the bill into context. Trump's tax cut, [according to Treasury Department data](#), is nearly 0.9 percent of GDP — compared to 2.89 percent of GDP for Ronald Reagan's 1981 tax cut. Trump's tax cut is only the eighth-largest — and is even smaller than two of Barack Obama's tax cuts.

“Our massive tax cuts provide tremendous relief for the middle class and small businesses.”

Trump is spinning the effects of his tax plan. Most of the benefits in the tax bill flow to corporations and the wealthy, according to numerous independent analysts.

More than three-quarters of the \$1.1 trillion in individual tax cuts will go to people who earn more than \$200,000 a year in taxable income, who constitute only about 5 percent of all taxpayers, according to [a report](#) by Moody's Investors Service that warned the tax plan will have negative consequences for the fiscal health of federal and local governments.

Many of the tax cuts for individuals expire in 2025 — unless renewed by Congress — while the corporation tax cuts do not expire. The standard deduction was increased, as Trump noted, but personal and dependent exemptions were eliminated, muting the impact of the increase.

“We slashed the business tax rate from 35 percent all the way down to 21 percent, so American companies can

compete and win against anyone in the world. These changes alone are estimated to increase average family income by more than \$4,000.”

Trump is citing a White House Council of Economic Advisers [report](#) that has been widely criticized for the \$4,000 estimate, including by the economist whose work is among those cited in making this forecast. (The economist, Mihir A. Desai, [told the New York Times](#) that actual income gain would be \$800.) [Update: The White House says it did not rely solely on Desai’s research and removed his paper in a subsequent publication.]

Desai said he did not think the numbers added up. Our friends at FactCheck.org [offered](#) a good illustration. With almost 126 million households in the United States, an average of \$4,000 per household would mean an income gain of \$500 billion. Yet the United States collected just under \$300 billion in corporate taxes in fiscal 2017. [Update: The White House says this is not a fair comparison because so many companies avoided the U.S. tax rates that current tax receipts are lower than they would be under the new law.]

Conservative economists generally say they expect wages to rise after the corporate tax cut, but few have embraced the White House estimate. “This estimate is considerably higher than I would expect,” [said](#) Michael Strain, director of economic studies at the American Enterprise Institute.

The average household would get a tax cut of \$1,610 in 2018, an increase of about 2.2 percent in that average household’s income, according to the Tax Policy Center.

“Since we passed tax cuts, roughly 3 million workers have already gotten tax cut bonuses — many of them thousands of dollars per worker.”

Trump is citing [a list maintained by Americans for Tax Reform](#), an anti-tax group, which says 285 companies have offered bonuses, pay increases or increased 401(k) contributions because of the tax plan. The group says at least 3 million Americans have received tax bonuses, many about \$1,000 or \$2,000; the list only identifies one company (IAT Insurance Group of North Carolina) as offering \$3,000. With about 126 million full-time workers in the United States, less than 2.5 percent have received these one-time bonuses so far. Many of the companies offering bonuses are in the financial services industry.

“Since we passed tax cuts ... Apple has just announced it plans to invest a total of \$350 billion in America, and hire another 20,000 workers.”

Trump suggests Apple is investing \$350 billion in the United States over five years because of a tax package he signed into law in December.

That’s a stretch.

Apple announced a [five-year investment plan](#) in January, which includes \$30 billion in capital expenditures and roughly \$275 billion in domestic spending. This represents the bulk of its \$350 billion investment plan. But the company did not say whether these moves were long in the planning or spurred by the tax changes. Apple did say it would be making a \$38 billion tax payment to repatriate overseas profit under a provision of Trump’s tax law. Like

other big U.S. companies, Apple responded to the tax legislation by handing out [bonuses to its employees](#).

It's not clear from Apple's announcement that it is dialing up U.S. investment levels. The [tech giant spent](#) "between \$12 billion and \$15 billion on projects such as facilities or land globally in the past few years, though it has not said how much of that went to U.S. projects."

"In our drive to make Washington accountable, we have eliminated more regulations in our first year than any administration in history."

Trump has clearly waged a battle against regulations but many of his claims cannot be verified.

Trump appears to be counting "regulatory actions," so many of the items being delayed or withdrawn were not regulations yet. According to a Bloomberg News analysis, almost a third of the regulatory reversals actually began under earlier presidents. "Others strain the definition of lessening the burden of regulation or were relatively inconsequential, the kind of actions government implements routinely," Bloomberg [reported](#).

In fact, it is unclear whether Trump has cut more regulations in his first year than any other president. When [the Fact Checker examined this question](#), experts said that the amount of withdrawn regulations is not necessarily the best metric, because these are rules that never went into effect. Moreover, often it takes another rule to repeal a previous rule. Research by the Mercatus Center at George Mason University [shows](#) that regulatory restrictions actually grew during

Trump's first year, but at a much slower pace than other presidents in their first year.

“We have ended the war on American energy — and we have ended the war on beautiful clean coal. We are now an exporter of energy to the world.”

There's no such thing as “clean coal.” Power plants can mitigate some of the effects of burning coal by capturing and burying carbon-dioxide emissions, but that doesn't cleanse the coal itself. By saying his administration “ended the war on clean coal,” Trump appears to be referencing the Environmental Protection Agency's [decision to repeal the Clean Power Plan](#) implemented under President Barack Obama, which had pushed states to favor energy sources that produce fewer carbon emissions than coal.

Trump also says the United States is “now an exporter of energy,” but the United States has long been an energy exporter. Trump pledged during his campaign to turn the country into a net energy exporter, meaning it sells more energy to other countries than it buys from them. But that hasn't happened and the U.S. Energy Information Administration [estimates](#) it won't happen until sometime between 2020 and 2030.

[According to the EIA](#), the United States was expected to become a net exporter of natural gas in 2017, and exports of crude oil and petroleum products [more than doubled from 2010 to 2016](#). It's important to note that the United States lifted restrictions on exporting crude oil in December 2015, while Obama was in office.

“Many car companies are now building and expanding plants in the United States — something we have not seen for decades. Chrysler is moving a major plant from Mexico to Michigan.”

Trump’s timeline is mixed up. Fiat Chrysler is investing \$1 billion in a factory in Michigan, but that plan was in motion before Trump’s election in 2016, according to Sergio Marchionne, the Fiat Chrysler chief executive. Marchionne specifically credited talks with the United Auto Workers in 2015, not Trump.

“America is a nation of builders. We built the Empire State Building in just one year — isn’t it a disgrace that it can now take 10 years just to get a permit approved for a simple road?”

This isn’t the first time Trump has pointed to building and infrastructure projects from earlier in American history. He made similar claims about [the Golden Gate Bridge and the Hoover Dam in June 2017](#).

But in all of these cases, Trump is only focusing on the literal construction time — ignoring the bureaucratic negotiations, planning and preparation that took place leading up to construction and are required to make large-scale projects feasible. Moreover, for the Empire State Building, it actually took 13 months to build.

“The third pillar ends the visa lottery — a program that randomly hands out green cards without any regard for skill, merit or the safety of our people.”

The diversity visa lottery program, more commonly known as the green card lottery, isn't random as Trump suggests. Each year natives of [a number of countries are not allowed to apply](#) because more than 50,000 people from these countries had been admitted during the last five years. Individuals who apply must have at least a high school diploma, the equivalent or two years work experience, [which the State Department specifies](#), to be eligible for the program. As the term "lottery" implies, applicants are selected via a randomized computer drawing. The selected applicants undergo a background check, interview and medical tests before entering the country, and some applicants undergo an additional in-depth review if they are considered a security risk. After which, selected applicants can be deemed ineligible for a visa.

A [2007 report](#) from the Government Accountability Office did point to substantial fraud risks within the program and proposed using data to mitigate these risks. However, the State Department at the time disagreed with the report's findings, saying it already had managed these risks. The same report notes there can be "difficulty in verifying identities has security-based implications because State's security checks rely heavily on name-based databases," something [a 2011 report from the House of Representatives](#) suggests could be a national security weakness. It's clear there are issues with the program, but it is a stretch to say the program has no regard for merit or safety.

"The fourth and final pillar protects the nuclear family by ending chain migration. Under the current broken system, a single immigrant can bring in virtually unlimited numbers of distant relatives."

“Chain migration” refers to the practice of immigrants bringing other members of their families to the United States. Under U.S. law, there is a preference for relatives already living in the United States, so a [U.S. citizen can petition](#) for a green card for spouses, children, parents or siblings. So, for example, a sibling of a U.S. citizen could come to the United States, bringing along spouses and minor children. The rules are stricter [for green-card holders](#): They can only petition for a spouse or unmarried children.

The suggestion that either a U.S. citizen or a green card holder could bring in “virtually unlimited numbers of distant relatives” is an exaggeration to say the least. There’s often a lengthy wait list. As of November, [according to the State Department](#), nearly 4 million people are waiting to get off the list, including 2.3 million “family fourth” preferences — children of siblings of citizens.

“In recent weeks, two terrorist attacks in New York were made possible by the visa lottery and chain migration. In the age of terrorism, these programs present risks we can no longer afford.”

Trump is referring to Sayfullo Saipov, an Uzbek immigrant who entered the United States through the diversity visa lottery program, and Akayed Ullah, a Bangladeshi immigrant who entered through an extended relative as part of a program Trump calls “chain migration.”

Saipov drove a rented truck into a crowd of pedestrians and bicyclists in Manhattan in October, killing eight in the deadliest terrorist attack in New York since 9/11. Ullah attempted to bomb a New York City

subway station with a crude explosive device, but the device failed and only Ullah was injured.

Trump presents these two cases as evidence that the diversity visa program and chain migration open the door to terrorist attacks. But two immigration cases out of thousands a year is not statistically significant.

Note that Trump [steered clear of mentioning a new report](#) from the Homeland Security and Justice departments, which links the same two immigration programs to terrorism cases. That report describes two international terrorism-related cases linked to chain migration, and two other cases tied to the diversity visa program. Again, not a statistically significant number.

It's a big deal to claim that any policy exposes the country to more terrorist attacks, and it requires more proof than a few anecdotal cases.

“We are proud that we do more than any other country to help the needy, the struggling and the underprivileged all over the world.”

In raw dollars, the United States does contribute more development aid. But the United States is also richer, so as a percentage of gross national income, the United States ranks relatively low, [according to 2016 figures published by the Organization for Economic Co-operation and Development](#).

The United States contributed \$33.6 billion, followed by Germany with almost \$25 billion. But Norway contributed 1.1 percent of GNI,

whereas the United States ranked 22nd out of 29 wealthy countries tracked by the organization. That ranking placed it between Slovenia and Portugal.